

Overview

- Types of financing that PCS will support will depend on the structure of the industry
 - supply / demand characteristics
 - competitive issues
 - spectrum and technical issues
- Various forms of financing will evolve depending on industry structure
 - strategic capital
 - venture capital
 - vendor financing
 - bank financing
 - public / private equity and debt markets
- Case studies in similar industries have shown the ability to access different sources of capital
 - Cellular Communications, Inc.
 - McCaw Cellular Communications, Inc.
 - MFS Communications Company, Inc.
 - NEXTEL Communications, Inc.

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Cellular Communications, Inc.

Significant Events		Approximate Total PoPs (Millions)	Selected Financings ^(a)	Approximate Amount Raised (Dollars in Millions)
• 1981	CCI founded	NA	Private Investors	NA
• 1983	Cleveland license awarded	NA	None	—
• 1984	Cleveland buildout substantially complete	NA	Vendor financing	NA
• 1985	Cleveland system activated	3.5	None	—
• 1986	Remaining Ohio systems activated	6.1	IPO & secondary common offering	\$39
• 1987	25,000th customer activated	7.5	Common stock & Euro-convertible	91
• 1988	Joint venture with Olivetti/Shearson	8.5	Euro-convertible	50
• 1989	Puerto Rico acquired 50,000th customer activated	9.4	Common stock	125
• 1990	PacTel Joint Venture announced 100,000th customer activated	9.7	None	—
• 1991	PacTel Joint Venture formed First Stage of three-step transaction Spin-off of OCOM and CCIL	10.6	PacTel purchases 5%	87
• 1992	Joint Venture expands footprint by acquiring RSAs Spin-off of Puerto Rico	7.5	Zero convertible	121

(a) Does not include bank line of credit financings.

MFS Communications Company, Inc.

Significant Events		Metropolitan Areas Served	Selected Financings	Approximate Amount Raised (Dollars in Millions)
• 1987	MFS established	NA	Established by Kiewit Diversified Group Inc. (KDG), a wholly owned subsidiary of Peter Kiewit Sons, Inc.	-
• 1988	Commenced operations	NA	Investment by KDG	\$3.1
• 1989	Philadelphia, Baltimore, Boston, Minneapolis, San Francisco, Los Angeles and Houston systems become operational	8	Investment by KDG	63.4
• 1990	MFS acquires Chicago Pittsburgh becomes operational	9	Investment by KDG	58.6
• 1991	MFS acquires DC metropolitan area New York and Dallas become operational	12	Investment by KDG	117.2
• 1992	Atlanta and northern New Jersey become operational	14	Investment by KDG	161.7
• 1993	London, Tampa and San Jose systems under construction	14	IPO, secondary offering and investment by KDG	465.4
• 1994	Enter definitive agreement to purchase systems in Rochester, Albany and Buffalo	14	High yield offering	500.0

McCaw Cellular Communications, Inc.

Significant Events	Approximate Total POPs (millions)	Selected Financings	Approximate Amount Raised (Dollars in Millions)
• 1984 McCaw begins cellular operations	NA	None	—
• 1985 McCaw acquires MCI properties	16.2	Bank/vendor financing	27
• 1986 McCaw expands clusters	27.3	Bank/vendor financing/MCI notes	324
• 1987 McCaw acquires Florida properties	37.7	IPO and senior subordinated debentures; cable properties sold	884
• 1988 McCaw invests in LIN Broadcasting	51.1	Convertible subordinated debentures Senior subordinated debentures	750
• 1989 British Telecom invests	52.1	Strategic investment	1,370
• 1990 Acquires interest in LIN Broadcasting McCaw sells Southeast properties	55.9	Strategic sale	1,300
• 1991 McCaw sold Midwest cluster Acquired Crowley properties	57.4	Strategic sale; equity for debt exchange	429
• 1993 McCaw enters merger agreement with AT&T	60.4	None	—

DRAFT**Salomon Brothers Inc**

NEXTEL Communications, Inc.

Significant Events	Selected Financings	Approximate Amount Raised (Dollars in Millions)
• 1987	Fleet Call founded Initial acquisition program begins	None
• 1988	Second acquisition program begins	Venture capital/bank
• 1989	Third acquisition program begins	Venture capital/bank
• 1990	Fleet Call files Digital Mobile application	Venture capital/bank
• 1991	FCC approves Digital Mobile application	Venture capital/bank
• 1992	Initial Public Offering DirCom merger Matthews/Comcast investments	IPO Strategic equity Vendor financing
• 1993	AMG, Cencall, Motorola and Questar acquisitions/investments announced Los Angeles system activated NTT investment	105 545 300 Secondary offering Senior discount notes offering NTT and Comcast investment
• 1994	MCI announces investment in NEXTEL	75 132 290 75 Strategic equity
		1,300

(a) Through year-end 1991 NEXTEL raised \$60MM in equity through private placements, \$120MM through a bank facility and the remainder through seller-paper and asset sales.

Experienced Project Team

Nancy B. Peretsman

Current Position:	Managing Director
Primary Responsibilities:	Oversees Solomon Brothers' Global Media practice
Selected Related Experience:	<ul style="list-style-type: none">• Broad range of financial and structured transaction experience:<ul style="list-style-type: none">- LNM/Metromedia- Southwestern Bell/Houseer- New York Daily News (financial restructuring)- General Cinema/Harcourt Brace Jovanovich• Clients include: Gap Cities/ABC, CBS, Washington Post Company and Adelphi Communications Corporation
Years of Related Experience:	15
Education:	<p>Yale University School of Organizational Management, M.S. Princeton University, B.A.</p>
Other Business/Community Involvement:	<ul style="list-style-type: none">• Member of the Board of Trustees of the New School for Social Research• Emeriti Trustee of Princeton University